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MEMORANDUM FOR: The Honorable
The Director of the Bureau of the Budget

ATTENTION :
Chief, National Security Branch
Estimates Division

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SUBJECT : Transfer and Consolidation of the GPO Classified
Printing Plant with the CIA Reproduction Plant

1. The subject plant was originally established by the Office of Strategic Services and was operated continuously by that Agency from 1942 to 1945 at which time the plant was transferred to the Department of State with the Research and Analysis activity of OSS. The transfer was accomplished on the basis that 80 per cent of the work of the plant was produced for the transferred Research and Analysis activity.

2. As a result of a joint survey by the Bureau of the Budget, Department of State and the Government Printing Office, the plant was transferred from the Department of State to the Government Printing Office pursuant to an agreement dated November 27, 1946 which stated that the transfer shall become effective on or before March 1, 1947. The agreement states that the plant is to be operated by the Government Printing Office primarily for the accommodation of map and classified work of the Department of State and the Central Intelligence Agency on a reimbursable basis.

3. The work of the GPO plant is performed in four different locations. The space occupied contains a total of 11,505 square feet and consists of a number of small rooms which does not permit an entirely satisfactory, economical and efficient operation. Adequate space is not available for the storage of supplies and paper required to meet the plant's productive capacity, storage of printed material in process and for collating and binding the volume of work presently produced.

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4. The CIA Reproduction Plant is also housed in four different locations and occupies space totaling 12,046 square feet. The main part of the plant is located at [REDACTED], and is not at all suitable for this type work. Workmen are constantly interfering with each other because there is insufficient room to permit free access to their equipment. Inadequate facilities for storing of paper stock, supplies and chemicals create a very dangerous fire hazard from the standpoint of personnel and the security of classified material. The work of this plant consists of all types of reproduction, except letter press work and offset work in excess of 17 inches by 22 inches plate size which is performed by the GPO plant. Even by utilizing the facilities of the GPO plant to the fullest extent, and with the working of overtime on an average of 1500 hours per month, the average monthly backlog over the past six months amounted to 320 jobs and 446,420 impressions.

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5. The total number of square feet occupied by the two plants is 23,551. CIA has recently executed a lease for 54,950 square feet of space located in Alexandria, Virginia, at an annual rental of \$41,985.00. This space is now in the process of being altered to meet the requirements for the installation of the necessary reproduction equipment. It is expected that occupancy of the space will be effected on or about 1 April 1951.

6. In order to obtain advice in the solution of the Agency's serious reproduction problems the services of an expert in the printing and reproduction field were secured to make a survey of the situation. After a careful analysis of the problems involved he concurred with CIA's program of consolidation of all of its printing and reproduction for the sake of economy, efficiency and security of present work and to provide for what may be a greatly expanded production of top secret material. Taking into consideration the fact that approximately 80 per cent of the production effort of the GPO plant is devoted to CIA work, his recommendation is that CIA repurchase the GPO equipment, if possible, rather than acquire additional new equipment, and that the two plants in effect be merged into one efficient operating unit. The consolidation of the two plants will:

- a. Increase production.
- b. Accomplish a more streamlined efficient and economical operation.
- c. Eliminate duplication in the photographic, offset, and binding operations.
- d. Establish a central distribution point for publications and other classified intelligence materials.

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- e. Provide improved administrative and security control of material while it is being reproduced and disseminated.
- f. Effect a reduction in manpower required for present reproduction work.
- g. Provide facilities for expansion.
- h. Make available additional space badly needed for other operations.
- i. Eliminate a bad fire hazard.

7. If the two plants are operated separately it is estimated that 236 employees will be required, 141 for the new plant, and 95 for the GPO plant. Through combining the operations of the two plants it is estimated that a reduction of 31 positions can be effected. This reduction of 31 positions when multiplied by the average annual salary of \$3,100 for this type of employment results in an estimated savings of \$96,100 in personal services alone. Other savings should be effected through a reduction in the amount of equipment required and in actual operating costs through increased efficiency of operations.

8. The proposed consolidation has been discussed with Mr. Deviny, Public Printer, and with Mr. Humelsine, Deputy Under Secretary, Department of State. They have indicated that they will interpose no objection to the transfer of the GPO plant to CIA provided that the classified printing and reproduction work of other government agencies and the Department of State now being produced in this plant are continued on a fair priority basis as in the past. CIA agrees to this proviso.

9. Your cooperation and assistance in placing this proposal before the proper officials of the Bureau of the Budget for decision will be greatly appreciated.

FOR THE DIRECTOR OF CENTRAL INTELLIGENCE:

MURRAY McCONNEL
Deputy Director

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cc: Signer's copy ✓
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